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For Immediate Release  
January 31, 2000

## **Princeton University Further Increases its Support for Students on Financial Aid**

PRINCETON, N.J. — On the recommendation of President Harold T. Shapiro, the Trustees of Princeton University will further increase the scholarship portion of many of Princeton's undergraduate financial aid awards by further reducing the amount that students are required to borrow and by entirely removing the value of the family home from its financial aid calculations. These actions build on initiatives begun in 1998 to increase Princeton's affordability for students from lower- and middle-income families.

Specifically, having already eliminated loans from the financial aid packages of lower-income students and reduced the level of borrowing required for middle-income students, the University now will further reduce the amount that middle-income students will be asked to borrow. Also, having already excluded the value of the family home in calculating what many families are expected to pay, the University now will extend this policy to all financial aid calculations.

The cumulative effect of both changes is expected to increase some students' scholarship grants by as much as \$2,250. The average scholarship grant for Princeton's current freshman class is \$18,290.

"Princeton already has a very strong financial aid program, and these changes will make it even stronger," Shapiro said. "Our aim is to do as much as we can to be sure that no student decides not to apply to Princeton solely for financial reasons. We believe that most lower and middle income families will find that the cost of attending Princeton falls in line with—or below—what it costs to attend the major state universities."

In addition, the University will increase the travel allowance for international students, making it more comparable to the allowance offered to residents of the United States and Canada.

In 1998, Princeton adopted a policy of not requiring any student loan when a family's income falls below the national median (currently estimated at \$45,000). In addition, Princeton introduced a sliding scale that this year reduced the required loan for students with family incomes between \$45,000 and \$63,500. Instead of the regular loan of \$4,330, students from families at this income level were asked to borrow amounts that ranged from \$600 to \$3,800. Now, Princeton will further reduce loan requirements for these students. In addition, students with family incomes above \$63,500 will also have their loans reduced by between \$500 and \$1,000. It is estimated that these changes will affect 270 students in next fall's incoming class; on average, they will lower a student's loan by \$750 per year and increase the student's scholarship by the same amount.

Two years ago, Princeton removed the value of the family home from its financial aid calculations for families with incomes below a certain threshold, counted half of the value for families in a higher range and three-quarters of the value for families in the highest range. The complete elimination of the value of the family home from all aid calculations is expected to affect 160 students in next fall's incoming class, reducing the typical parental contribution by \$1,500 per year and increasing the student's scholarship by the same amount.

These two changes in policy will be phased in, beginning with the Class of 2004 that will be admitted this spring. When fully phased in after four years, they will increase Princeton's commitment to student aid by \$1.88 million a year.

Effective with the summer of 2000, Princeton will fund one trip home each year for international students who receive financial aid. The policy has been to fund one trip home during the four years of enrollment, plus a trip home after graduation. The new plan is intended to increase the University's attractiveness to foreign students, and to create more humane and equitable circumstances for those who enroll. The change builds on other recent efforts to improve financial aid offerings to international students, with the goal of moving toward the same need-blind admission policy that is in place for U.S. and Canadian students.

The changes in financial aid policy are intended to further improve a financial aid program grounded in two fundamental commitments: to admit students on a "need-blind" basis and to meet the full financial need of all admitted students. The latest financial aid improvements are intended to further increase the likelihood that students needing financial aid will apply and that admitted students who need aid will enroll.

The new policies adopted in 1998 yielded several important gains:

- An increase in the percentage of students on scholarship, from a low of 38 percent in the Class of 2001 to levels more in keeping with historic levels of 41 to 42 percent in the classes of 2002 and 2003;
- A larger than usual increase in the average scholarship (reflecting a decrease in the average loan), from \$15,064 in the Class of 2001 to \$18,290 in the Class of 2003;
- An increase in the percentage of admitted aid students who enroll, from 60 percent in the Class of 2001 to 64 to 65 percent in the Classes of 2002 and 2003.

Approximately 68 percent of all students who received an offer of admission to Princeton's Class of 2003 actually enrolled. While lower-income students (i.e., those who benefited most from Princeton's 1998 loan-reduction policy) enrolled at this same rate of 68 percent, only 61 percent of admitted aid students in the middle-income group (i.e., those who benefited less from the 1998 policy) enrolled.

The trustees acted January 29 on budget recommendations from President Shapiro that were based on the recommendations of the University's Priorities Committee—a group of faculty, students and staff. The trustees also approved a 3.3 percent increase in tuition, room and board for 2000-01, the lowest percentage increase at Princeton in more than 30 years. (Last year's increase was 3.5 percent.)

"Princeton has followed a policy in recent years of bringing down the rate of increase in student fees to a level that roughly corresponds to national increases in family incomes, while also providing for significant increases in our commitments to student aid and to enhancing the quality of our programs of teaching and research," said Princeton Provost Jeremiah Ostriker, who chairs the Priorities Committee. "We have been able to achieve all of these objectives in large measure because of the extraordinary generosity of our alumni, especially in their support of student aid."

To help families and college counselors estimate how much a family actually would have to pay, Princeton developed a financial aid estimator program, which is posted on its Financial Aid Office web page: <http://www.princeton.edu/pr/aid/>. After the family answers about a dozen questions regarding its financial status, the system calculates an expected family contribution, compares it to Princeton's charges to arrive at an estimated award, and "packages" the award into scholarship, loan (if applicable), and campus job. Although the information is preliminary, if the family's income and asset information remains relatively stable, the family gets a good idea of the probable amount of scholarship, loan and campus work in its financial aid award.